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August 17, 1966

The Honorable
Leonard C. Meeker
Legal Adviser
Department of State

Dear Mr. Meeker:

Enclosed is a copy of "United States Property Rights in the Canal Zone," prepared by the Office of the General Counsel, Department of the Army, which discusses the real property rights of the United States in the Panama Canal Zone. It will be helpful in the current negotiations with Panama if you would give me your views as to the validity and effectiveness of the positions set forth in the memorandum, as well as your opinion as to what real property rights the United States holds in the Panama Canal Zone.

In addition, will you please endeavor to obtain the Attorney General's opinion on the same two questions?

Sincerely yours,

John N. Irwin II
Special Representative of the
United States for Interoceanic
Canal Negotiations

Enclosure:
Copy of "United States Property
Rights in the Canal Zone"

ARA/SR/PAN:ElSmith:dr

NATIONAL SECURITY COUNCIL

July 27, 1966

MEMORANDUM FOR MR. ROSTOW

Subject: Draft Memorandum for Alexis
Johnson Requesting Staff Study on
PLOWSHARE and the Panama Canal

Following up your request last week, I have prepared the attached draft memorandum for you to send Alexis Johnson, requesting that State prepare a staff study for the President on Plowshare in the Panama Canal.

I have gone over the attached draft with Bill Bowdler and he has no objection to the text. We both agree, however, that Plowshare in its broader ramifications does not have much to do with our immediate negotiating position with Panama and are not sure how useful a document that we could reasonably expect to get out of State would, in fact, be at this time.

In any event, Bill and I would like to discuss the problem with you briefly before you send the memorandum to State.

Spurgeon
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Att.: Draft

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U.S. DEPARTMENT OF COMMERCE
BUREAU OF PUBLIC ROADS
WASHINGTON, D.C. 20235

Annex B

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June 2, 1966

IN REPLY REFER TO:

DARIEN HIGHWAY GAP - COLOMBIA
PALO DE LAS LETRAS TO TURBO-MEDELLIN HIGHWAY
(Atrato Route)

Document No. 14 of the Eighth Meeting of the Permanent Executive Committee of the Pan American Highway Congresses, constituted an engineering study of the feasibility of crossing the Rio Atrato swamp area of the Darien Gap by highway. The study developed a route location and recommended methods to be used in the construction of the highway. The only serious problem encountered was, as anticipated, in the salt swamp area of the Rio Atrato Delta. The explorations disclosed that this 22 kilometer section of the route is underlain by sands sufficiently firm to assure permanent construction.

By Resolution 9 of the Permanent Executive Committee, in their Eighth Meeting, the above report was recognized and adopted and the route between Palo de las Letras and the Turbo-Medellin Highway was accepted as part of the Pan American Highway system constituting a link in the Caribbean Circuit. The Chairman of the Permanent Executive Committee was asked to establish a coordinating group composed of representatives of Colombia, the United States, and Venezuela to undertake work leading to the ultimate construction of this highway.

The most feasible route determined by these studies nearly coincides with the route previously surveyed by the Ministry of Public Works of Colombia. A brief description of this route follows.

DESCRIPTION OF ROUTE

1. Palo de las Letras to the Rio Atrato Length - 36 kilometers

This section is through rolling hills somewhat broken up but offering no unusual construction problems. In developing the estimated cost of this section, a projection of the Brown and Root International Engineers detail design quantities for the section in Panama between Palo de las Letras and Yaviza was used.

2. Rio Atrato Bridge Length - 2,000 Lin.Ft.

A major bridge crossing with navigational clearance must ultimately be built across the Rio Atrato though a captive car ferry could serve for many years. While the actual

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crossing is less than 1,000 feet, a bridge length of 2,000 feet has been planned in developing the estimates.

3. Rio Atrato swamp section to the Lomas las Aisladas
Length - 22 kilometers

This most difficult section consists of decayed organic material and sedimentary silt deposits, with up to 65 percent water content, overlaying salt bearing sand at depths varying from 20 to 33 feet. Several methods of construction could be used including sand drains, displacement by explosives, or excavation by dragline and replacement by rock fill. Sufficient fill material can be obtained from the Lomas las Aisladas on the south end of this section of the highway or from the hills directly north of the Atrato River crossing. An early crossing could be constructed using a corduroy supported fill.

In developing estimates for this section the most permanent procedures were assumed.

4. Lomas las Aisladas to the Turbo-Medellin Highway near Guapa
Length - 40 kilometers

This is the easiest section of the entire route and could be constructed with normal side borrow procedures. The alignment of both this section and the previous section is on tangent and would thus provide a most desirable section for the Intercontinental highway. The Ministry of Public Works of Colombia has already initiated construction on this section progressing from the Turbo-Medellin Highway to the Rio Leon, some 8 kilometers. The estimates developed for this highway include reconstruction of this section to the Pan American Highway standard.

COST ESTIMATES

The following estimates of cost have been developed utilizing information available from the Brown and Root surveys of adjacent areas of Central America and the southern United States:

Annex B

Preliminary Report of the Darien Subcommittee
on the Construction Estimate for Pan American
Highway through the Darien Gap of Panama and
Colombia
(Choco Route)

SUMMARY

Estimate for highway construction - Darien Gap

Panama

319.6 km.	U.S.	\$59,434,531
Contingencies - 15%		8,915,180
Engineering and admin. 20%		<u>11,886,906</u>
		\$80,236,617

Escalation for inflation over 10 year construction - at rate of 3% per year - approx.		<u>20,000,000</u>
Total Estimate	U.S.	<u>\$100,000,000</u>

Colombia - *choco route*

421.0 km.	U.S.	\$100,000,000
Contingencies - 15%		15,000,000
Engineering and admin. 20%		<u>20,000,000</u>
	U.S.	\$135,000,000

Escalation for inflation over 10 year construction - at rate of 3% per year - approx.		<u>35,000,000</u>
Total Estimate	U.S.	<u>\$170,000,000</u>

Recapitulation

Panama	319.6 km.	U.S.	\$100,000,000
Colombia	<u>421.0 km.</u>		<u>170,000,000</u>
Totals	740.6 km.	U.S.	\$270,000,000

Atrato Swamp Route

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Palo de las Letras to Rio Atrato	36 kms. @ \$220,000	\$ 7,920,000
Rio Atrato Bridge	2,000 ft. @ \$1,200 per ft.	2,400,000
Rio Atrato to Lomas las Aisladas	22 kms. @ \$750,000	16,500,000
Lomas las Aisladas to Turbo-Medellin	<u>40 kms. @ \$150,000</u>	<u>6,000,000</u>
Subtotal	98 kms.	\$32,820,000
15% - Contingencies		4,923,000
20% - Engineering and Administration		<u>6,564,000</u>
Total		\$44,307,000

Price escalation over 5 years construction at

3% inflation per year - approximately \$3,700,000 U.S. \$48,000,000

The above estimate was submitted to Mr. Romulo O'Farrill in February in connection with preliminary discussions of funding possibilities. The same criteria were applied in developing the estimate and in adding engineering, administration, and contingencies as were applied in the Darien Subcommittee report of the Pan American Highway route through the Darien.

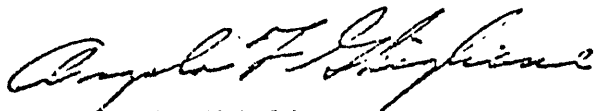
JUSTIFICATION

In considering the crossing of the Darien Gap and the linking of North and South America by highway, it is readily apparent that this 98 kilometer route in Colombia offers many advantages over the 421 kilometer Pan American Highway route which was adopted by Public Law 121 in Colombia and subsequently by the Pan American Highway Congresses. It should be noted, however, that Public Law 121 of Colombia provides for construction of the Atrato crossing route at the same time that it designates the much longer route as the official Pan American Highway.

This crossing is considered to be a most important link in the Caribbean Circuit of the Pan American Highway system which offers ready extension to connect with the heavily populated Atlantic Coast area of Colombia through Cartagena, Barranquilla, Santa Marta, and eventually to Venezuela over the Maracaibo Bridge.

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The area along the Turbo-Medellin Highway and the first 40 kilometers of this crossing is now undergoing rapid development by fruit growers and considerable economic advantage could be assigned to this factor; however, the main purpose of the route is still that of providing a hemispheric connection with the political and strategic values not readily available as economic factors. The mere fact that this is by far the shortest possible connection to Panama from the Colombia highway system provides the greatest justification for its being first priority in any consideration of crossing the Darien Gap by highway.



Angelo F. Ghiglione
Deputy Director for Operations
Office of Engineering and Operations

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

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April 22, 1966

MEMORANDUM FOR MR. ROSTOW

SUBJECT: Panama

State informs me that GAO has just completed a survey of military training schools in the Panama Canal Zone. GAO's conclusion is that the schools should be moved to the United States in order to save \$3.3 million.

GAO yesterday sent to State, DOD and the White House (I don't know who has it) a draft of a letter to the Senate and House along the foregoing lines. We have 75 days in which to let GAO know of our observations. *ie. State & DOD*

Defense will be responding in terms of the military aspects of the recommendation, while State will focus on possible adverse implications of such a step at this time on the Canal negotiations. It is clearly understood that comments from the agencies will be coordinated with Ambassador Anderson before being sent to GAO. We will also have a chance to review them in advance of presentation.

WMB
WGBowdler

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PRESIDENT'S STATEMENT ON PANAMA CANAL

December 18, 1964

This Government has completed an intensive review of policy toward the present and future of the Panama Canal. On the basis of this review I have reached two decisions.

First, I have decided that the United States should press forward, with Panama and other interested governments, in plans and preparations for a sea level canal in this area.

Second, I have decided to propose to the Government of Panama the negotiation of an entirely new treaty on the existing Panama Canal.

These decisions reflect the unanimous judgment of the Secretary of State, the Secretary of Defense and the Joint Chiefs of Staff. They are based on the recommendations of Ambassador Robert Anderson, Secretary Stephen Ailes, Secretary Thomas Mann, and Ambassador Jack Vaughn. They have the full support of Mr. Truman and General Eisenhower. They have been reported to--and sympathetically received by--the leadership of the Congress. These two steps are needed now--for the protection and promotion of peaceful trade--for the welfare of the hemisphere--in the true interest of the United States--and in fairness and justice to all.

For 50 years the Panama Canal has carried ships of all nations in peaceful trade between the two great oceans--on terms of entire equality, and at no profit to this country. The canal has also served the cause of peace and freedom in two world wars. It has brought great economic contributions to Panama. For the rest of its life the canal will continue to serve trade, and peace, and the people of Panama.

But that life is now limited. The canal is growing old, and so are the treaties for its management, which go back to 1903.

The Panama Canal with its limiting locks and channels will soon be inadequate to the needs of world commerce. Already more than 300 ships built or building are too big to go through with full loads. Many of them--like our own most modern aircraft carriers--cannot go through them at all.

So it is time to plan in earnest for a sea level canal. Such a canal will be more modern, more economical, and far easier to defend. It will be free of complex, costly vulnerable locks and seaways. It will serve the future as the Panama Canal we know has served the past and the present.

Four Possible Routes

The Congress has already authorized \$17 million for studies of possible sites and other practical problems of a sea level canal. There seem to be four possible routes--two in Panama, one in Colombia, and one which goes through Nicaragua and possibly Costa Rica as well.

I have asked the Secretary of State to begin discussions with all the governments concerned with these possible new routes. In these discussions we will be prepared to work on the terms and conditions of building and operating a new canal, and if preliminary agreements can be reached, we will be ready to go ahead with selected site surveys.

Last January there was violence in Panama. As I said then, "violence is never justified and is never a basis for talks."

But while the people of the United States have never made concession to force, they have always supported fair play and full respect for the rights of others. So from the first day I made it clear that we were ready to sit down and seek answers that would be just and fair and right--without precondition or precommitment on either side.

New Treaty Proposed

On that basis, relations between our two countries were resumed in April, and on that basis I chose Mr. Robert Anderson, who had been President Eisenhower's Secretary of the Treasury, to be my special ambassador on this problem. Since then Ambassador Anderson has been working with Ambassador Vaughn, with Secretary Ailes, and with Secretary Mann. They have recommended that we should propose a new treaty for the existing canal. After careful review with my senior advisers, I have accepted this recommendation.

Today we have informed the Government of Panama that we are ready to negotiate a new treaty. In such a treaty, we must retain the rights which are necessary for the effective operation and

protection of the canal, and the administration of the areas necessary for these purposes. Such a treaty would replace the treaty of 1903 and its amendments. It should recognize the sovereignty of Panama. It should provide for its own termination when a sea-level canal comes into operation. It should provide for effective discharge of our common responsibilities for hemispheric defense. Until a new agreement is reached, of course, the present treaties will remain in effect.

In these new proposals, we will take every possible step to deal fairly and helpfully with the citizens of both Panama and of the United States who have served so faithfully through the years in operating and maintaining the Panama Canal.

These changes are necessary not because of failure but because of success; not because of backwardness but because of progress. The age before us is an age of larger, faster ships. It is an age of friendly partnership among the nations concerned with the traffic between the oceans. This new age requires new arrangements.

The strength of our American system is that we have always tried to understand and meet the needs of the future. We have been at our best when we have been both bold and prudent in moving forward. The planning of a new canal, and the negotiation of a new treaty, are just such bold and prudent steps. Let us take them together.

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NOTICE TO CORRESPONDENTS:
FOR RELEASE AT 1:30 P.M., SEPTEMBER 24, 1965. There must be no premature release of this statement nor should any of its contents be paraphrased or alluded to before this time. Bill D. Moyers
Office of the White House Press Secretary

September 24, 1965

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT
ON THE PROGRESS OF TREATY
NEGOTIATIONS WITH PANAMA

I have today an announcement of special importance regarding the progress of treaty negotiations with Panama.

In the past 18 months, representatives of the United States and the Republic of Panama have been conducting negotiations concerning the Panama Canal.

On December 18th, I told the American people and the world that the United States sought fair play and justice, with a decent respect for the rights of all. The fact that we are large and Panama is small would have no bearing on the discussions. We were determined then, as we are now, to do what is fair and just.

I asked our representatives to sit down and to seek answers. I pledged that we would reason together, to find solutions that would be reasonable and right -- right for our own people, and right for the people of Panama.

Today, I am happy to announce that areas of agreement have been successfully reached. I am proud of Ambassadors Anderson and Irwin, who spoke for the United States. I am grateful to Ambassadors Arias, de la Rosa, and Aleman, who spoke for Panama.

They have proved again the truth of our deepest conviction -- that nations can resolve their differences honorably and reasonably, without violence and conflict.

At this very moment, President Robles of Panama is announcing to his own people the areas of agreement which our two countries have now reached. They are the following:

"In order to meet their present and future needs the two countries are negotiating separately a new and modern treaty to replace the 1903 treaty and its amendments -- a base rights and status of forces agreements -- and a treaty under which there might be constructed across Panama a new sea level canal.

The two countries recognize that the primary interest of both countries lies in ensuring that arrangements are provided for effective operations and defense of the existing Panama Canal and any new canal which may be constructed in Panama in the future.

With respect to the status of the negotiations on a new treaty to replace the 1903 Treaty and its amendments, general areas of agreement have been reached. The details of these areas of agreement are the subject of current negotiations.

The purpose is to ensure that Panama will share with the United States responsibility in the administration, management and operations of the Canal as may be provided in the treaty. Panama will also share with the United States in the direct and indirect benefits from the existence of the Canal on its territory.

The areas of agreement reached are the following:

One : The 1903 Treaty will be abrogated.

Two: The new treaty will effectively recognize Panama's sovereignty

- More -

over the area of the present Canal Zone.

- Three: The new treaty will terminate after a specified number of years or on the date of the opening of the sea level canal whichever occurs first.
- Four: A primary objective of the new treaty will be to provide for an appropriate political, economic and social integration of the area used in the canal operation with the rest of the Republic of Panama. Both countries recognize there is need for an orderly transition to avoid abrupt and possibly harmful dislocations. We also recognize that certain changes should be made over a period of time. The new canal administration will be empowered to make such changes in accordance with guidelines in the new treaty.
- Five: Both countries recognize the important responsibility they have to be fair and helpful to the employees of all nationalities who are serving so efficiently and well in the operation of the canal. Appropriate arrangements will be made to ensure that the rights and interests of these employees are safeguarded.

The new treaties will provide for the defense of the existing canal and any sea level canal which may be constructed in Panama. United States forces and military facilities will be maintained under a base rights and status of forces agreement.

With respect to the sea level canal, the United States will make studies and site surveys of possible routes in Panama. Negotiations are continuing with respect to the methods and conditions of financing, constructing and operating a sea level canal, in the light of the importance of such a canal to the Republic of Panama, to the United States of America, to world commerce and to the progress of mankind.

The United States and Panama will seek the necessary solutions to the economic problems which would be caused by the construction of a sea level canal.

The present canal and any new canal which may be constructed in the future shall be open at all times to the vessels of all nations on a non-discriminatory basis. The tolls would be reasonable in the light of the contribution of the Republic of Panama and the United States of America and of the interest of world commerce."

I congratulate the negotiators for the progress they have made. I want to express my confidence in their ability to negotiate the details of these treaties, within the guidelines agreed on. All that we do is in the mutual interest and welfare of the United States, Panama and the world at large.

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ATLANTIC-PACIFIC INTEROCEANIC CANAL STUDY COMMISSION
1815 H STREET NW.
WASHINGTON, D.C. 20006

File

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March 28, 1966

Mr. Bromley Smith

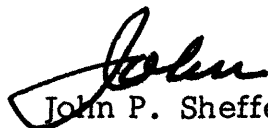
The White House

Dear Bromley:

You might be interested in the inclosed information pamphlet. We prepared it primarily for the recent meeting of the Commission with the heads of the departments working on our studies, but I had enough copies made to use in response to the many inquiries we receive about the investigation.

As you probably know, the AEC is having its problems in getting the cratering experiments approved. Come over and have lunch with me any day this week or next and let me bring you up to date on what we are doing.

Sincerely,



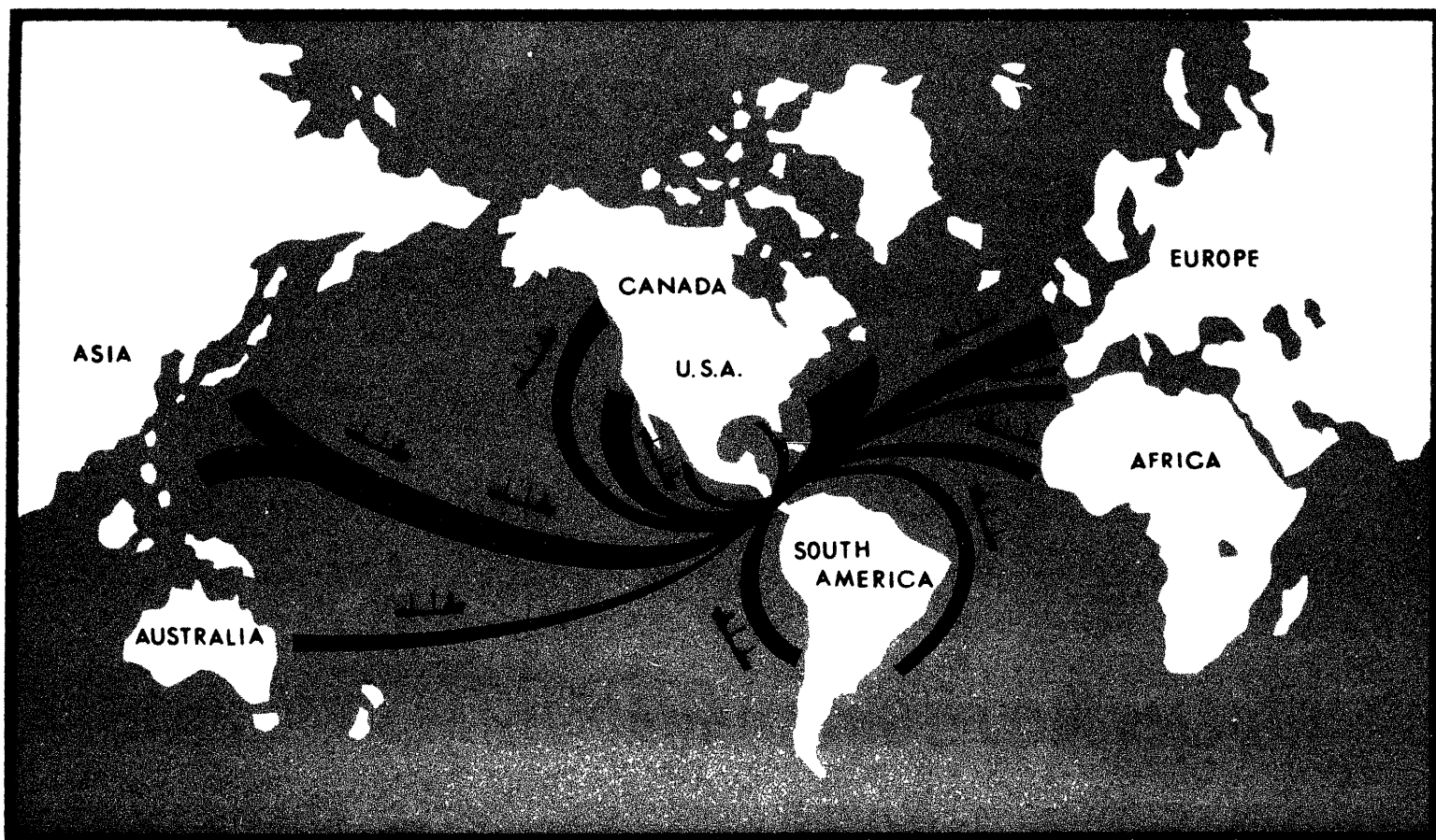
John P. Sheffey
Executive Secretary

Inclosure

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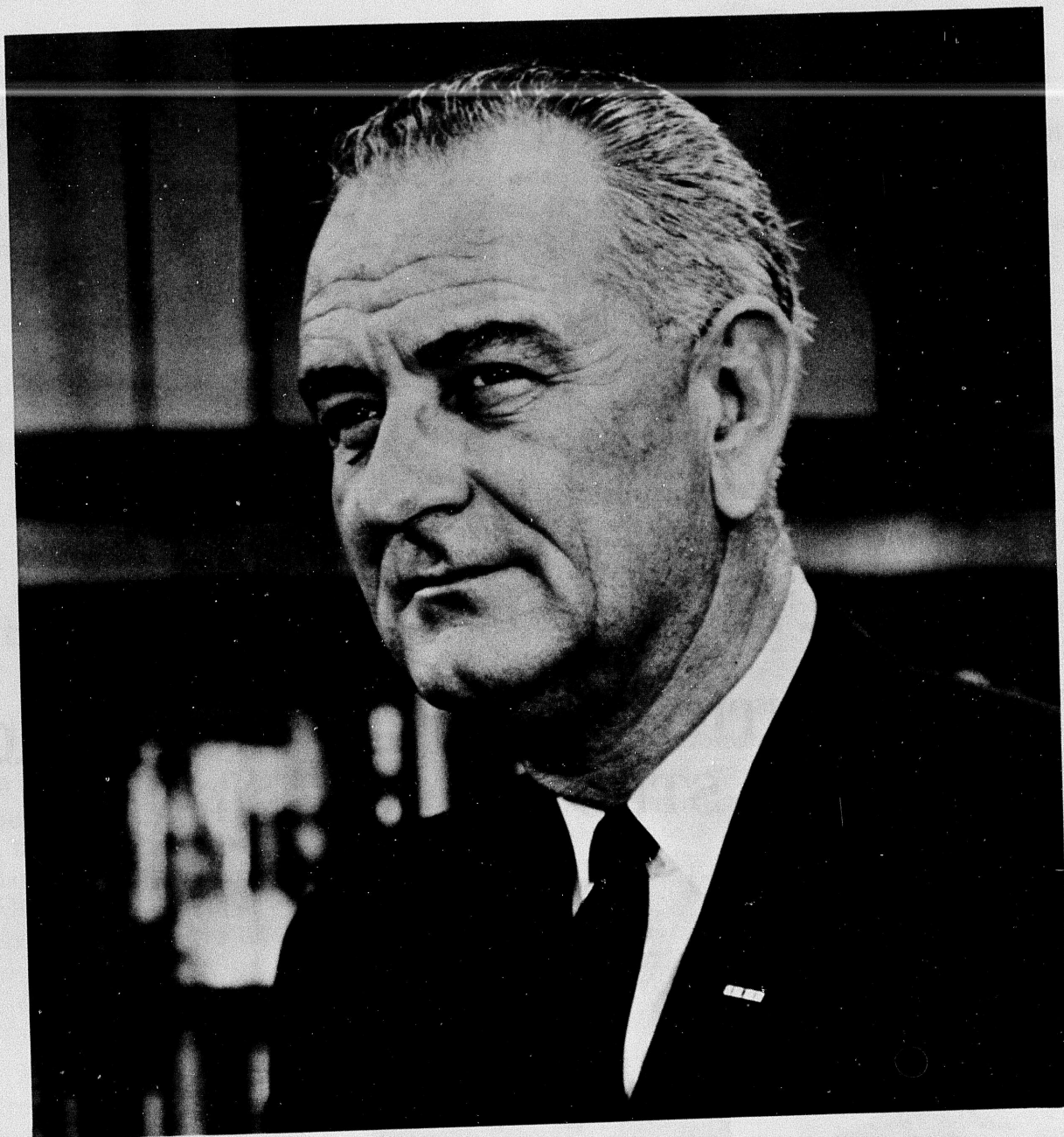
ATLANTIC-PACIFIC

INTEROCEANIC CANAL STUDY COMMISSION



C O N T E N T S

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*"... THE UNITED STATES SHOULD PRESS FORWARD . . . IN
PLANS AND PREPARATIONS FOR A SEA LEVEL CANAL."*

President Lyndon B. Johnson

December 18, 1964



CHAIRMAN
HON. ROBERT B. ANDERSON
Special Representative of the U.S.
For U.S.-Panama Relations
New York, N. Y.



VICE CHAIRMAN
ROBERT G. STOREY
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Southwestern Legal Foundation
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THE ATLANTIC-PACIFIC INTEROCEANIC CANAL STUDY COMMISSION



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Consultant
Greenwich, Conn.



RAYMOND A. HILL
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San Francisco, Calif.

INTRODUCTION

Since the discovery of the Isthmus of Panama by Vasco Nunez de Balboa in 1513, men have dreamed of creating there a man-made strait joining the waters of the Atlantic and Pacific Oceans.

In 1875 Ferdinand de Lesseps, with the triumph of Suez behind him, persuaded the International Congress for Consideration of an Interoceanic Canal to vote to build a sea-level canal in Panama. Construction was undertaken in 1881, but the engineering problems proved so great that in 1887 the French plan was changed to a lock canal in the expectation that such a canal could be built within a reasonable time at an acceptable cost.

When the United States acquired exclusive rights to construct a canal in Panama in the 1903 Treaty and purchased the residual interests of the bankrupt French Canal Company, President Theodore Roosevelt's Board of Consulting Engineers voted eight to five for a sea-level canal. The United States Senate Committee on Interoceanic Canals favored a sea-level canal by six to five, but the Senate decided upon a lock canal by a vote of thirty-six to thirty-one.

PREVIOUS ISTHMIAN CANAL STUDIES

In designing the locks more than a half-century ago, the Panama Canal engineers attempted to provide ample lock capacity for the largest ships ever to be constructed. The over-all dimensions, 1000 ft $\times$ 110 ft $\times$ 41½ ft depth of water, were adequate until the advent of modern aircraft carriers, tankers, and ore carriers. In 1939, the United States Congress authorized the construction of a third set of locks whose 1200 ft $\times$ 140 ft chambers with 50 ft depth of water would admit the largest U. S. carriers and other ships afloat or under design at the time. The study upon which this decision was based, however, recommended the construction of these locks as an interim measure and conversion to a sea-level canal as the ultimate goal. Competing WW II demands for labor and materials forced the suspension of the project in 1942. The advent of the atomic bomb made any lock canal highly vulnerable, and work was never resumed on the third locks. The canted deck aircraft carriers built since WW II could not pass through these locks, had they been completed.

Since WW II, extensive studies have been made which will provide valuable guidance for the present Commission:

Isthmian Canal Studies - 1947 was a report by the Governor of the Panama Canal pursuant to Public Law 289, 79th Congress. It was a comprehensive investigation of the means of increasing the capacity and security of the Panama Canal and included examination of thirty different routes from the Isthmus of Tehuantepec in Mexico south to Northwest Colombia, as well as methods of increasing the capacity and security of the present canal.

The studies examined eight routes for construction of a sea-level canal and concluded that "a sea-level canal constitutes the only means of meeting adequately the future needs of interoceanic commerce and national defense, and such a canal can be obtained most effectively and economically by converting the present Panama Canal to sea-level."

The studies estimated the cost of conversion at approximately \$2.3 billion, exclusive of any tidal regulating structures.

Isthmian Canal Plans – 1960, a report by the President of the Panama Canal Company, reviewed and updated the construction methods suggested in the 1947 studies for conversion of the present lock canal to sea-level and adjusted cost estimates to the 1960 price levels. With assistance from the Atomic Energy Commission, the studies considered five routes for construction by nuclear explosives (Tehuantepec, Nicaragua-Costa Rica, San Blas and Sasardi-Morti in Panama, and Atrato-Truando in Colombia). This report recommended, in addition to completion of the canal improvement program:

- (1) Initiation of planning for construction outside the Zone by nuclear methods.
- (2) Periodic restudy by the Panama Canal Company of traffic growth and trends in size of ships and review of the scheduling of the sea-level canal project as necessary.
- (3) Accomplishment by the Atomic Energy Commission of a research and development program to improve nuclear explosives for excavation, establish the effects of nuclear explosives in various underground media and demonstrate their safety and efficiency for a canal project.
- (4) Planning for the conversion of the existing canal to sea-level if nuclear methods are not developed by the early 1970's.

Report on a Long-Range Program for Isthmian Canal Transits – 1960 was a report by a Board of Consultants to the House Committee on Merchant Marine and Fisheries. The Board concluded "that the ultimate solution of the basic problem of increasing capacity is probably a sea-level canal, but its construction should await a traffic volume that can support the large cost."

Concerning sea-level canals, the report recommended:

- (1) Further engineering studies of sea-level canal routes across the Isthmus in Colombia should be initiated and prosecuted vigorously.
 - (2) A continuing study of new conventional methods of canal construction should be carried on under the direction of the Panama Canal Company.
 - (3) The experimental development of excavation by nuclear explosions should be pushed by the appropriate Government agency.
 - (4) The entire situation should be reviewed in 1970, or if the present traffic estimates are appreciably exceeded, at an appropriate earlier date.
 - (5) No sea-level canal project in the Canal Zone should be undertaken in the near future.
- In reviewing the proposed construction methods of a sea-level canal in the Zone in the 1947 report, the Board expressed doubt of the stability of the slopes proposed therein during the short period of unwatering the present lakes.

Isthmian Canal Studies - 1964, a report by the President of the Panama Canal Company, includes a new forecast of canal traffic; a current review of canal capacity; an updating of the cost estimates of the conversion plan in the Zone, without an engineering review; and a more detailed study of two routes for possible nuclear excavation (Sasardi-Morti and Atrato-Truando) without additional site data but incorporating advances in technology since 1960. The studies considering nuclear excavation were developed jointly by the Corps of Engineers, the Panama Canal Company and the Atomic Energy Commission.

SEA-LEVEL vs LOCK CANAL

A sea-level canal in the Central American Isthmus would provide many advantages over the present Panama Canal. The existing canal requires an extensive system of locks, with dams and associated water supply facilities. It is vulnerable to military attack. It has capacity limitations which are becoming increasingly important. Even now over 500 existing commercial ships cannot transit the canal fully laden, and the size of the locks makes the canal impassable for some 50 existing commercial ships and 24 United States Navy aircraft carriers. All of these ships were, of course, constructed in the full knowledge that they exceeded the capacity of the Panama Canal.

In 1965, about 12,000 ships passed through the canal. Canal engineers estimate that the capacity of the canal could probably be brought up to 19,000 ships a year without exorbitant expenditure for new engineering works. The average transit time will steadily increase beyond the present average of less than 14 hours, and prohibitively expensive delays are expected to occur in ever increasing frequency as the end of the century approaches.

The existing lock canal and its supporting services employ about 14,000 personnel of whom about 3,800 are United States citizens. Although some of these employees are required because of the services the canal organization provides to the military installations in the Canal Zone, a very large percentage of the total would not be required to operate a sea-level canal. Past estimates have placed the number required to operate a sea-level canal as low as 700.

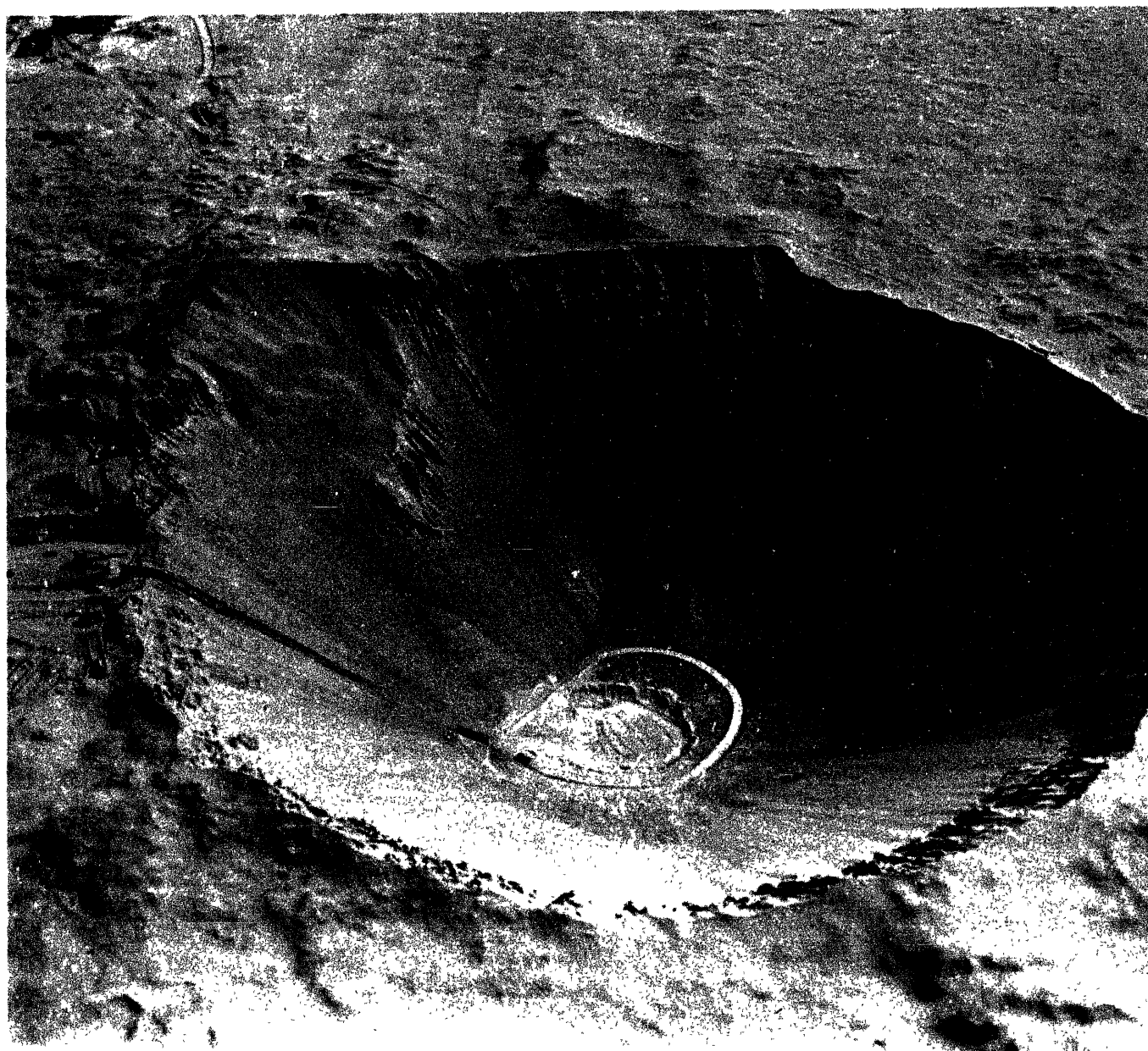
The estimates made in the past few years of the possible costs of sea-level canal construction on the more promising routes are as follows:

Route	Length (Miles)	Cost of Conventional Construction		Cost of Nuclear Construction	
		(Millions)	(Est. year)	(Millions)	(Est. year)
Panama (Canal Zone)	46	\$2,176*	1964	\$ —	—
Panama (San Blas)	32	—	—	\$ 620	1960
Panama (Sasardi-Monti)	48	5,132	1947	747	1964
Nicaragua (Greytown-Salinas Bay)	140	4,135**	1964	1,850	1960
Colombia (Atrato-Truando)	100	5,261	1949	1,440	1964

* 1964 studies indicate a possible reduction to approximately \$1.8 billion through latest techniques and elimination of many items not directly connected with canal operations.

** 1964 estimate for lock canal only. No estimate has been made for conventional construction of a sea-level canal through Nicaragua.

Nuclear excavation experiments conducted by the Atomic Energy Commission in its PLOW-SHARE Program have led to the conclusion by the scientists involved that nuclear canal excavation is theoretically feasible from a technical viewpoint. Additional experiments are required to establish the validity of this conclusion and to develop the excavation technology. The AEC plans to carry out these experiments to the extent possible within the limitations of the Treaty Banning Nuclear Weapons Tests in the Atmosphere, in Outer Space, and under Water.



THE SEDAN CRATER was formed by the detonation of a 100-kiloton thermonuclear device. The explosion, part of the AEC's Plowshare Program, moved 6,500,000 cubic yards of dirt in a fraction of a minute and produced a crater 300 feet deep and about 1,280 feet in diameter.

DECISION TO INITIATE A NEW STUDY

Planning for a new sea-level canal study began in late 1961 with the President's appointment of a Special Study Group on Panama to consider Panamanian aspirations for revision of the 1903 Treaty and to advise the President of the long-term U. S. requirements on the Isthmus.

In June 1962, legislation was submitted to Congress to authorize canal studies by the Panama Canal Company.

In November 1962, Under Secretary of the Army Stephen Ailes caused to be formed a Technical Steering Committee of representatives of the Panama Canal Company, Corps of Engineers and the Atomic Energy Commission to coordinate the preparation of preliminary plans and estimated costs of studies in anticipation of Congressional hearings on the study legislation.

The anti-U. S. riots in Panama in January 1964 heightened interest in these studies and President Johnson urged the Congress to act on the proposed authorizing legislation. Hearings were held soon afterward, and the following law was passed by the Congress and signed by the President on September 22, 1964:



Public Law 88-609
88th Congress, S. 2701
September 22, 1964

An Act

78 STAT. 990.

To provide for an investigation and study to determine a site for the construction of a sea level canal connecting the Atlantic and Pacific Oceans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to appoint a Commission to be composed of five men from private life, to make a full and complete investigation and study, including necessary on-site surveys, and considering national defense, foreign relations, intercoastal shipping, interoceanic shipping, and such other matters as they may determine to be important, for the purpose of determining the feasibility of, and the most suitable site for, the construction of a sea level canal connecting the Atlantic and Pacific Oceans; the best means of constructing such a canal, whether by conventional or nuclear excavation, and the estimated cost thereof. The President shall designate as Chairman one of the members of the Commission.

Atlantic-Pacific
interoceanic
canal.
Study.

SEC. 2. The Commission is authorized to utilize the facilities of any department, agency, or instrumentality of the executive branch of the United States Government, and to obtain such services as it deems necessary in accordance with the provisions of section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

60 Stat. 810.

SEC. 3. The Commission shall report to the President for transmittal to Congress on July 31, 1965, with respect to its progress, and each year thereafter until the completion of its duties. The President shall submit such recommendations to the Congress as he deems advisable. The Commission shall continue until the President determines that its duties are completed, but not later than June 30, 1968.

Report to President and Congress.

SEC. 4. There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act, not to exceed \$17,500,000.

Appropriation.

Approved September 22, 1964.

STATEMENT BY PRESIDENT LYNDON B. JOHNSON

On December 18, 1964, the President issued the following statement:

"This government has completed an intensive review of policy toward the present and the future of the Panama Canal. On the basis of this review, I have reached two decisions.

"First, I have decided that the United States should press forward with Panama and other interested governments, in plans and preparations for a sea level canal in this area.

"Second, I have decided to propose to the Government of Panama the negotiation of an entirely new treaty on the existing Panama Canal.

"These decisions reflect the unanimous judgment of the Secretary of State, the Secretary of Defense, the Joint Chiefs of Staff. They are based on the recommendations of Ambassador Robert Anderson, Secretary Stephen Ailes, Secretary Thomas Mann, and our Ambassador in Panama, Ambassador Jack Vaughn. They have the full support of Mr. Truman and General Eisenhower. They have been reported to, and in most instances sympathetically received by the leadership of the Congress.

"These two steps I think are needed now—needed for the protection and the promotion of peaceful trade—for the welfare of the hemisphere—in the true interests of the United States—and in fairness and justice to all.

"For fifty years the Panama Canal has carried ships of all nations in peaceful trade between the two great oceans—on terms of entire equality and at no profit to this country. The Canal has also served the cause of peace and freedom in two world wars. It has brought great economic contributions to Panama. For the rest of its life the Canal will continue to serve trade, and peace, and the people of Panama.

"But that life is now limited. The Canal is growing old, and so are the Treaties for its management, which go back to 1903.

"The Panama Canal, with its limiting locks and channels, will soon be inadequate to the needs of our world commerce. Already more than 300 ships built or building are too big to go through with full loads. Many of them—like our modern aircraft carriers—cannot even go through at all.

"So I think it is time to plan in earnest for a sea level canal. Such a canal will be more modern, more economical, and will be far easier to defend. It will be free of complex, costly, vulnerable locks and seaways. It will serve the future as the Panama Canal we know has served the past and the present.

"The Congress has already authorized 17 million dollars for studies of possible sites and of the other practical problems of a sea level canal. There seems to be four possible routes—two in Panama, one in Colombia, and one which goes through Nicaragua and possibly Costa Rica as well.

"I have asked the Secretary of State to begin discussions immediately with all the governments concerned with these possible new routes. In these discussions we will be prepared to work on the terms and the conditions of building and operating a new canal, and if preliminary arrangements can be reached, we will be ready to go ahead with selected site surveys.

"Last January there was violence in Panama. As I said then, 'Violence is never justified and is never a basis for talks.'

"But while the people of the United States have never made concessions to force, they have always supported fair play and full respect for the rights of others. So from the very first day, as your President, I made it clear that we were ready to sit down and to seek answers, to reason together and to try to find the answers that would be just, fair and right, without precondition or without precommitment on either side.

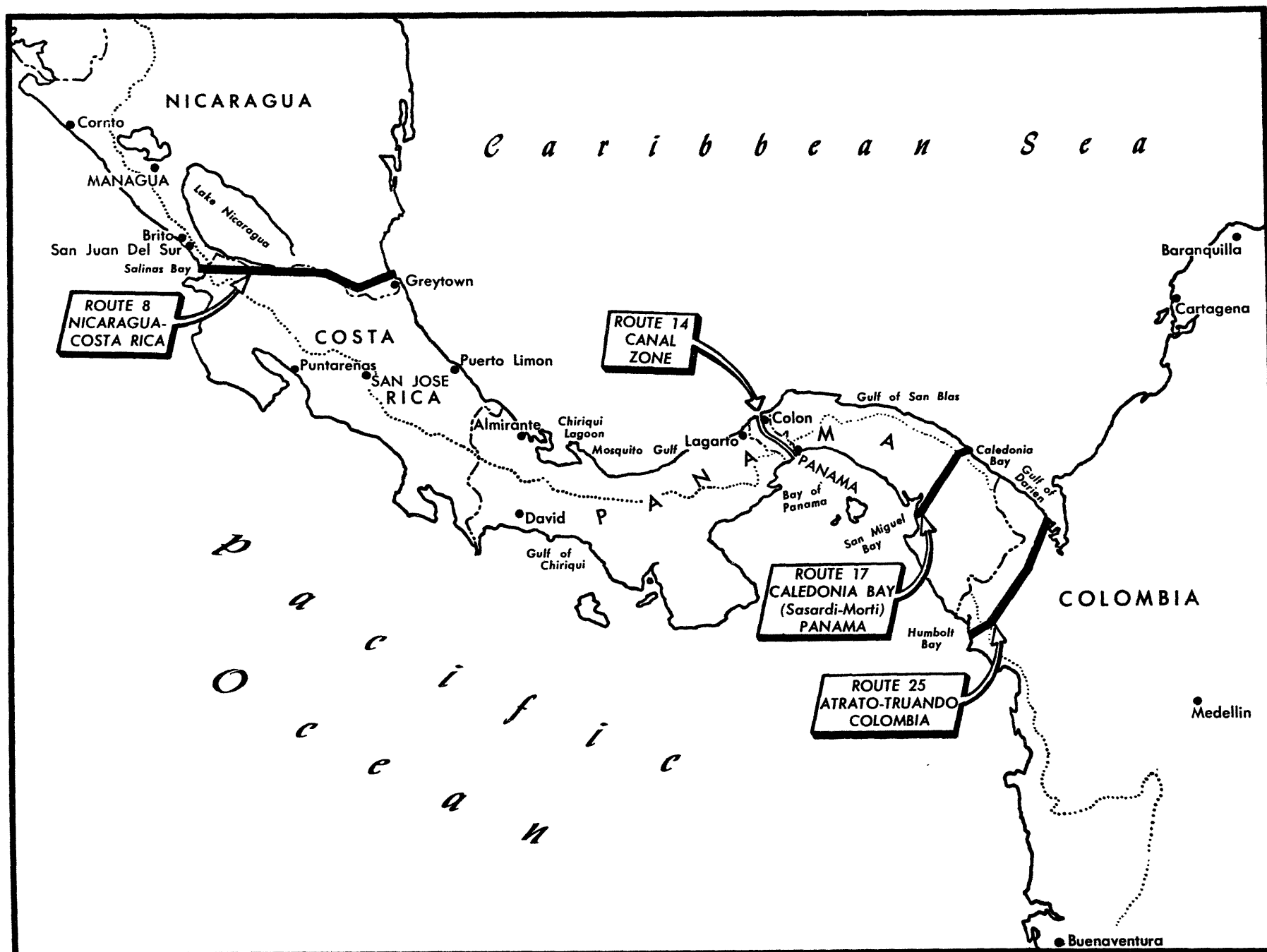
"On that basis, relations between our two countries negotiations were resumed in April, and on that basis I chose Mr. Robert Anderson, the distinguished former Secretary of the Treasury under President Eisenhower, to be my special Ambassador on this problem. Since then Ambassador Anderson has been working with the Secretary of the Army, Mr. Ailes, and with Secretary Mann of the State Department. They have recommended that we should propose a new treaty for the existing Canal. After careful review with my senior advisors, I have accepted this recommendation.

"Today we have informed the Government of Panama that we are ready to negotiate a new treaty. In such a treaty, we must retain the rights which are necessary for the effective operation and the protection of the Canal, and the administration of the areas that are necessary for these purposes. Such a treaty would replace the Treaty of 1903 and its amendments. It should recognize the sovereignty of Panama. It should provide for its own termination when a sea level canal comes into operation. It should provide for effective discharge of our common responsibilities for hemispheric defense. Until a new agreement is reached, of course, the present treaties will remain in effect.

"In these new proposals, we will take every possible step to deal fairly and helpfully with the citizens of both Panama and the United States who have served so faithfully through the years in operating and maintaining the Canal.

"These changes are necessary not because of failure but because of success; not because of backwardness, but because of progress. The age before us is an age of larger, faster ships. It is an age of friendly partnership among the nations concerned with the traffic between the oceans. This new age requires new arrangements.

"The strength of our American system is that we have always tried to understand and meet the needs of the future. We have been at our best when we have been both bold and prudent in moving forward. The planning of a new canal and the negotiation of a new treaty are just such bold and prudent steps. So let us today in friendship take them together."



THE CURRENT CANAL STUDY

Earlier Canal Studies have indicated that the existing Canal Zone (Route 14) would be the most economical route for conventional excavation. The Darien area of Panama (Route 17) and Northwest Colombia (Route 25) appear to be the most promising for nuclear excavation. Mapping of Routes 17 and 25 was completed in 1965, and the Canal Zone itself has long been thoroughly mapped. The plan of surveys that was the basis for the testimony leading to the passage of the authorization act, P.L. 88-609, and the supporting appropriation act, P. L. 88-635, envisioned initial investigation of only these three promising routes for which maps exist.

A route close to the Nicaragua-Costa Rica border (Route 8) also appears to merit further consideration. Mapping of the Nicaragua-Costa Rica route has been initiated. When the mapping is completed it will be determined whether a comprehensive survey of this route should be undertaken.

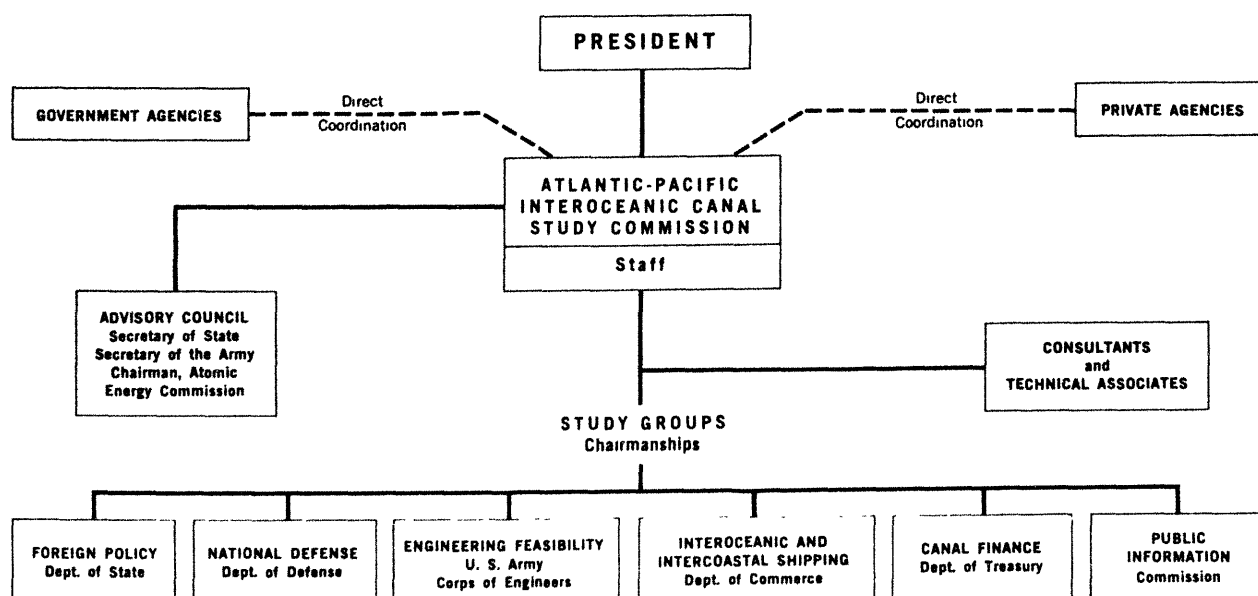
On April 18, 1965, the President appointed the members of the Atlantic-Pacific Interoceanic Canal Study Commission, naming as its Chairman, Mr. Robert B. Anderson, who also had been and continues to be the Special Representative of the United States for United States and Panama Relations and for the treaty negotiations between these countries with respect to a new treaty to replace the Treaty of 1903. The other members are:

Mr. Robert G. Storey, President,
Southwestern Legal Foundation, Dallas, Texas (Vice Chairman)

Dr. Milton S. Eisenhower, President,
Johns Hopkins University, Baltimore, Maryland

Brigadier General Kenneth E. Fields (Ret.), Consultant,
Greenwich, Connecticut

Mr. Raymond A. Hill, Chairman of the Board,
Hill, Leeds & Jewett, Inc., San Francisco, California



The Commission has selected the Chief of Engineers, United States Army, as the agent of the Commission to conduct the Engineering Feasibility Study under the policies and direction of the Commission. The Chief of Engineers is responsible for coordinating the efforts of the Atomic Energy Commission, the Panama Canal Company and other Government and private agencies in accomplishing the engineering investigation.

The Commission has called upon the Department of State, Defense, Treasury, and Commerce to conduct supporting studies in the area of Foreign Policy, Defense, Canal Finance and Ocean Shipping. These Departments are using the services of many other government and private agencies in the conduct of their studies.

Among other matters, these studies will consider:

1. *Conversion of the existing canal to sea level.* Previous studies of this project are being updated to consider the latest construction methods and to incorporate advanced design features to minimize cost. The feasibility of designing and eventually building gigantic dirt-and-rock moving equipment for use in the construction of a sea-level canal is being researched by the Government and the construction industry. Any plan selected for the conversion of the existing Panama Canal to sea-level would be limited to non-nuclear construction methods because of the population concentrations along the route.

2. *The technical feasibility of using nuclear excavation.* Planning for the construction of a sea-level canal 50 or 100 miles long in remote tropical jungles and across mountains about 1,000 feet high takes on new and greater dimensions when nuclear excavation methods must also be considered. The latter possibility requires a much broader scope and diversity of information about the physical environment above, on and below the earth. Detailed information about the surface and underground geology, wind and weather cycles, the number of people living along the routes and their eating and living habits, is needed to develop acceptable nuclear operational plans which will provide for the safety of the people and facilities.

3. *Alternative methods of financing the construction and operation of a sea-level canal.* This includes national and international financing options by government and non-government sources, toll structures, and amortization plans.

4. The impact of the selection of various sea-level canal sites and of various methods of building, financing and operating a sea-level canal on *national and international relations, national and hemispheric defense policies and strategic plans, and intercoastal and interoceanic shipping.*

The Commission is directing and coordinating these studies of all aspects of construction of a sea-level canal. In the conduct of these studies, the Commission is also employing the services of private consultants and technical associates in various disciplines to advise it, particularly in areas where a large measure of technical judgment is involved. With the help of these comprehensive analyses, the Commission will determine as Public Law 88-609 requires "the feasibility of, and the most suitable site for the construction of a sea level canal connecting the Atlantic and Pacific Oceans; the best means of constructing such a canal, whether by conventional or nuclear excavation, and the estimated cost thereof." The Commission will then recommend to the President the course of action it considers to be in the best interest of the United States and the world.

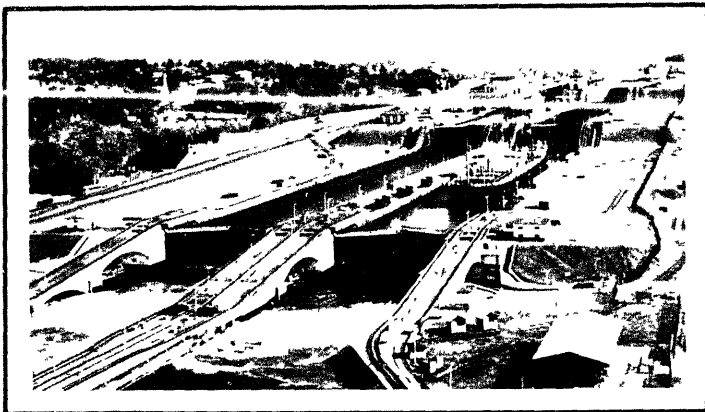
The Commission's investigation clearly involves considerations beyond the technical and financial aspects of canal construction. The responsibility for advising the President on questions of defense, foreign policy, and the development and use of nuclear excavation technology must remain with the heads of the Government agencies specifically charged with these functions. The mission given the Canal Study Commission by the Congress requires it, nevertheless, to consider these matters in arriving at its recommendations. Therefore, the Commission has asked the Secretary of State, the Secretary of the Army (for the Department of Defense), and the Chairman of the Atomic Energy Commission to serve as its Advisory Council.

TREATY NEGOTIATIONS

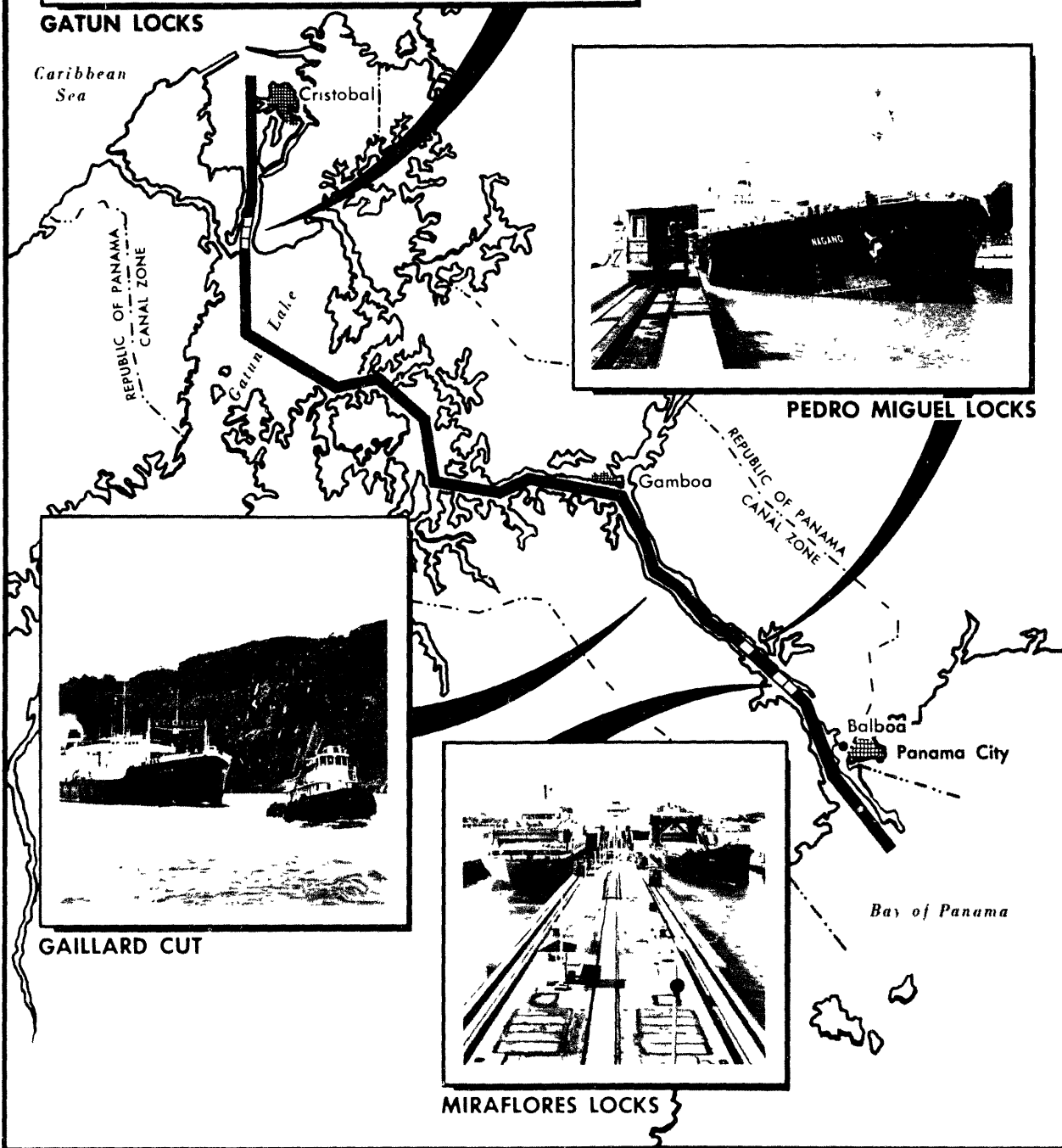
The Interoceanic Canal Study Commission itself has no direct responsibility for the conduct of canal treaty negotiations with countries containing the canal routes under investigation. However, treaty negotiations and the sea-level canal investigation are interrelated; and the various studies in support of the investigation will take into account the terms of the treaties in force at the time study reports are to be rendered. The close coordination of the Canal Commission's investigation with treaty negotiations is facilitated by the dual role of the Honorable Robert B. Anderson as Chairman of the Commission and as Special Representative of the United States for United States and Panama Relations and for the treaty negotiations between these countries with respect to a new treaty to replace the Treaty of 1903. In this latter function, Ambassador Anderson's co-negotiator is the Honorable John N. Irwin II, Special Representative of the United States of America for Interoceanic Canal Negotiations. Together, the two Special Ambassadors are charged with the responsibility for negotiating mutually supporting treaties and agreements for the continued operation of the existing lock canal; for the continued use of military bases in Panama; and for rights to construct and operate a new, sea-level canal in each of the countries where routes are surveyed.

*Inquiries for further
information may be directed to:*

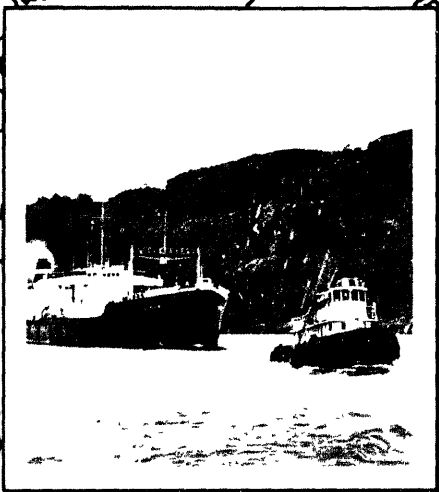
John P. Sheffey, Executive Secretary
The Atlantic-Pacific
Interoceanic Canal Study Commission
1815 H Street N. W.
Washington, D. C. 20006



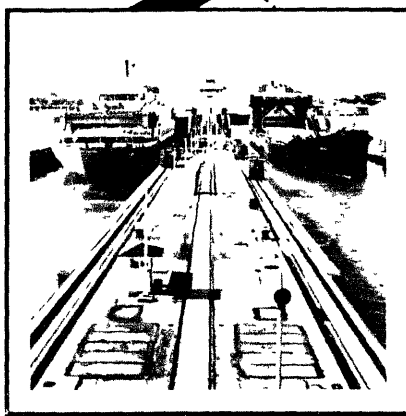
GATUN LOCKS



PEDRO MIGUEL LOCKS



GAILLARD CUT



MIRAFLORES LOCKS

THE SECRETARY OF DEFENSE
WASHINGTON

Cub
97
83d
FEB 3 1966

Dear Mac:

This is in reply to your letter of January 19 with respect to the question of a successor to Governor Fleming as Governor of the Canal Zone.

My recommendation is Major General Ellsworth I. Davis, Division Engineer of the Lower Mississippi Valley Division of the United States Army Corps of Engineers and President of the Mississippi River Commission. If you feel that the President wishes to give consideration to the appointment of a civilian, I recommend either Frank Pace, Jr., President of International Executive Service Corps, or John N. Irwin, II, the Special Ambassador for the negotiation of treaties with Panama.

The term of the next Governor will be a sensitive period, since it will include the period of negotiation of the new treaties with Panama and, if they are agreed to, their presentation to Congress and implementation. During this period it will be important to have someone who has prior familiarity with the problems of the Panama Canal, and particularly someone who is an able, thoughtful, and accessible person to furnish leadership for, and inspire the confidence of, the varying elements among the employees of the Canal enterprise.

It is also desirable to have someone with experience in the operation of waterways and engineering projects. As President of the Panama Canal Company, the Governor directs the operation of the Canal, including operation of the locks, dams and related water storage and flood control; maintenance and improvement of the waterways by dredging and other measures including major construction and navigation and control of traffic. The Company also operates substantial supporting facilities and services, including electric power plants, water supply and sewerage systems, communications, the Panama Railroad, the steamship Cristobal, piers and warehouses, marine repair facilities, motor transportation, employee housing,

retail stores, and recreation facilities. As Governor of the Canal Zone, the Governor/President directs the civil administration of an area of 647 square miles in which live about 40,000 people.

General Davis fills the qualifications for the position more fully than any civilian whom I would expect to be available. He graduated from West Point in the Class of 1932, ranking third in his class. He is experienced in Panama Canal matters. He served for two years (1946-48) in Panama with the Canal as Assistant Supervisory Engineer of the Special Engineering Division. He headed a study group which studied, and made recommendations with respect to, the possibility of a sea level canal. He served for three years in the then International Affairs Division of the Department of the Army, dealing with problems of the Canal and the Canal Zone at the Washington level. As noted above, he is currently Division Engineer of the Lower Mississippi Valley Division and President of the Mississippi River Commission. He is experienced in appearances before Congress. His superiors in the Department of the Army recommend him highly for qualities of leadership and ability combined with tact. He is available for prompt assignment.

Two possible civilian candidates who would meet many of the qualifications are Frank Pace, Jr. and John N. Irwin, II. Mr. Pace is currently president of International Executive Service Corps and was, as you know, Secretary of the Army from 1950-53. He has a varied experience in business management, and his outstanding service as Secretary of the Army would of course have given him experience and familiarity with the Canal enterprise. Mr. Irwin, a member of the New York law firm of Patterson, Belknap & Webb, is intimately familiar with current problems connected with the Canal enterprise in his capacity as Special Ambassador for the negotiation of treaties with Panama. He was Assistant Secretary of Defense (International Security Affairs) from 1958-61, and as such has extensive experience in politico-military affairs.

Sincerely,



Robert S. McNamara

Honorable McGeorge Bundy
Special Assistant to the President
for National Security Affairs

DANIEL J. MOOD
11TH DIST., PENNSYLVANIA

COMMITTEE:
APPROPRIATIONS

Copy

Congress of the United States
House of Representatives

Washington, D.C.
August 27, 1965

WASHINGTON OFFICE:
447 CANNON BUILDING
ZIP CODE: 20515
PHONE: AREA CODE 202
2-6511

HOME OFFICE:
1015 MARSHALL NATIONAL BANK
WILKES-BARE, PENNSYLVANIA
ZIP CODE: 18701
PHONE: AREA CODE 717
2-2194

832

CARDED

AUG 31 1965

The President

The White House

Mr. President:

Thank you for the telephone call from the White House advising me of concurrence with the recommendation of Chairman Leonor K. Sullivan that a civilian be appointed as Governor of the Canal Zone.

The basic Panama Canal Act of 1912 certainly contemplated the appointment as Governors of the Canal Zone others than active Army officers because there is absolutely no limitations on such appointment to any category or group.

Experience over many years has shown that it is neither necessary nor desirable that the Governor of the Canal Zone be a professional engineer or Army officer but it is imperative that he be a capable and experienced executive of high order. As far as the military protection of the Canal is concerned, we have a competent Commander-in-Chief of our Armed Forces located in the Canal Zone territory and the presence of a professional Army officer in the civil position of Governor of the Zone has, at times, been a source of needless embarrassment.

Directly related to such appointment is the designation by the President of the officer of the United States with supervisory responsibility over the Canal Zone Government as authorized in Public Law 841, 81st Congress.

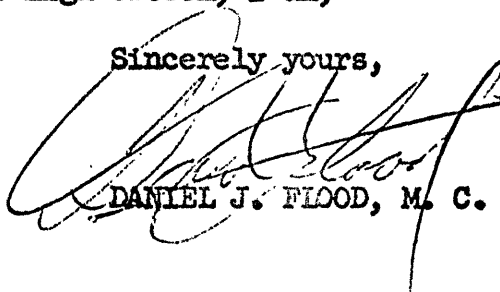
In the 1950 Report of Director of the Budget Frank Pace, upon which the provisions of the above indicated statute are based, is the recommendation that responsibility for supervision of the Canal enterprise be transferred from the Secretary of the Army to the Secretary of Commerce, which was never implemented. (H. Doc. No. 460, 81st Congress, p. 17.)

The President
August 27, 1965

Accordingly, I respectfully recommended that the indicated transfer of supervisory responsibility over the Panama Canal to the Secretary of Commerce be linked with the appointment of the best qualified civilian executive obtainable as Governor of the Canal Zone, with business administrative capacity as the prime consideration.

With assurances of high esteem, I am,

Sincerely yours,



DANIEL J. FLOOD, M. C.

DJF:rdh

HONORABLE JOHN B. SULLIVAN
10 DISTRICT, MISSOURI

Congress of the United States

House of Representatives

Washington, D. C.

August 6, 1965

CARDED

AUG 10 1965

COMMITTEES:
BANKING AND CURRENCY
CHAIRMAN; SUBCOMMITTEE ON
CONSUMER AFFAIRS
MERCHANT MARINE AND FISHERIES
CHAIRMAN; SUBCOMMITTEE ON
PANAMA CANAL

HOME OFFICE:
2918 FEDERAL BUILDING
1520 MARKET STREET
ST. LOUIS 3, MISSOURI

83m

Dear Mr. President:

Ever since the opening of the Panama Canal, the position of Governor has been occupied by an officer of the Corps of Engineers. While there may have been justification for limiting the selection to this group in the early years of Canal operation, virtually all of the engineering problems in connection with its operation have long since been solved and the peculiar knowledge of such individuals appears to have less value as time goes on. In view of the drastic change in the nature of the problems confronting the Governor these days, it would be appropriate in connection with selection of a successor to Governor Fleming to consider candidates with civilian as well as military background.

Since 1951, the Canal has been operated as a business type enterprise, with the Governor serving as President of the operating company and it appears that the greater part of his time is devoted to the business, rather than the governmental, aspect of the operation. I am aware that recently the Governor has served with the Ambassador to the Republic of Panama in connection with developing better relations with that Republic, but I am not aware that a Corps of Engineers background endows him with any special qualifications in the field of local diplomacy.

It appears that the function of the Governor-President of the Zone is not unlike that of the Chairman of the Tennessee Valley Authority, or the Governors of Guam or the Virgin Islands, and all of these appear to operate effectively with civilians. Aside from the parochial background of the Governor-President, selected on the present basis, there is also the problem of the length of his tenure. It appears that a four-year term is too short a time for the appointee to learn to deal effectively with the problems of his office, many of which are peculiar to the Zone. This could be a four-year term, subject to reappointment if satisfactory. I do not believe that private enterprises involved in substantially the same kind of operations would select a directing head on such a limited basis. I submit that at least some of the problems confronting us in connection with Canal operations could better be

solved by the selection of an individual from private life with qualifications indicating his ability to handle the ramifications of the position. I am aware that from time to time problems arise with the Republic of Panama which have been dealt with by the Governor, but aside from lack of background in this field, it would appear that better results could be achieved by channeling such contacts through the Ambassador.

As far as I am aware, no provision of law has ever required appointment of the Governor from the limited group from which appointments have been made and I submit that selection on the basis outlined herein could well assist in minimizing the continuing problems confronting us in the efficient operation of the Canal.

I respectfully submit, therefore, that consideration be given to widening the field of potential appointees by considering the appointment of a civilian to the office.

Sincerely yours,

Leonor K. Sullivan

Leonor K. Sullivan
Chairman
Subcommittee on Panama Canal

The President
The White House
Washington, D. C.

James A. Byrne
Jack H. Butler
James A. Grouse

Stanley R. Tucker
Charles M. Lusk
Charles A. Mott
W. H. Tasey
Jack Edwards
Stuart G. Sturtevant
James H. Wilson
Edward D. Gagnatz

THE WHITE HOUSE
WASHINGTON

August 20, 1965

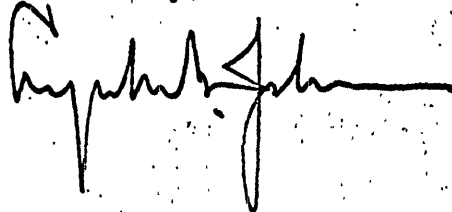
830

Dear Leonor:

Thank you for your letter of August 6, 1965, on widening the field of potential appointees for the governorship of the Canal Zone.

I agree with you and the members of your Committee that consideration should be given to the appointment of a civilian to this position. I shall do so when the term of the present Governor expires.

Sincerely,



Honorable Leonor K. Sullivan
House of Representatives
Washington, D. C.

Copy sent to: Secretary of the Army Resor

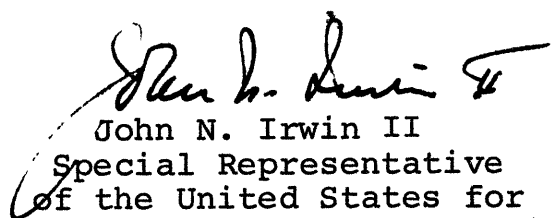
(All basic material sent to Central Files)

ATLANTIC-PACIFIC INTEROCEANIC CANAL STUDY COMMISSION
1815 H Street, N.W.
WASHINGTON, D.C. 20006

✓ 88
November 10, 1965

MEMORANDUM FOR MR. McGEORGE BUNDY
THE WHITE HOUSE

The Commission is delighted that you are able to meet with them and discuss the Test Ban Treaty and its relationship to other matters. The Commission will expect you at 10:30 a.m. on Thursday, November 18, 1965 at its offices, Room 601, Federal Bar Building, 1815 H Street N.W.


John N. Irwin II
Special Representative
of the United States for
Interoceanic Canal Negotiations

THE WHITE HOUSE
WASHINGTON

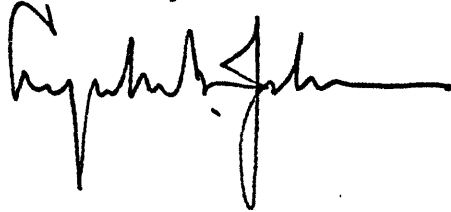
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Honorable Leonor K. Sullivan
House of Representatives
Washington, D. C.

Copy sent to: Secretary of the Army Resor

(All basic material sent to Central Files)

887

*Rec'd
Thurs 8/19/65
3:15 P.M.*

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

August 19, 1965

1:30 P.M.

MEMORANDUM TO THE PRESIDENT

FROM: Henry Wilson *HW*

I attach draft prepared by Secretaries Mann and Vaughan, pursuant to your instructions, for response to Mrs. Sullivan.

Two points:

1. Dan Flood's longstanding involvement with precisely this issue is so intense that we will have to alert him to the letter simultaneously with its being sent. I will handle that if you'll route the letter back through me. *OK*
2. Mac Bundy is quite emphatic that this first be cleared by Defense. I have not done so with the thought that you perhaps deliberately omitted this from your instructions. But I suppose you wish to make a judgment on this now.

Attachment.

DD RD

L

Cleared with Sec. Person

886

DONOR K. (Mrs. JOHN B.) SULLIVAN
20 DISTRICT, MISSOURI

Congress of the United States

House of Representatives

Washington, D. C.

August 6, 1965

CARDED

AUG 10 1965

COMMITTEES:
BANKING AND CURRENCY
CHAIRMAN: SUBCOMMITTEE ON
CONSUMER AFFAIRS
MERCHANT MARINE AND FISHERIES
CHAIRMAN: SUBCOMMITTEE ON
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88c

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Leonor K. Sullivan

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Chairman
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Stanley R. Tucker
Charles A. Woodley
Bob Tasey
Jack Edwards
Sam A. Stutz
Russell T. Tamm
Edward A. Gurnatz

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

X Panama
89a

October 8, 1965

MEMORANDUM FOR MR. BUNDY

SUBJECT: Panama: Closing of Mindi Farm

Tomorrow the Board of Directors of the Panama Canal Company is meeting. One of the matters which they will consider is the transfer of equipment (miscellaneous used farm implements and sheds) and part of the herd (5 bulls, 50 cows, 2 horses) of the Mindi Dairy Farm to the Panamanian Government. The land, which is in the Canal Zone, would be licensed by the Company to the Panamanian Government. The Panamanian Government would use the farm as an experimental station.

The Board has decided to close the Dairy Farm because it was losing money and it was cheaper to bring in frozen milk from New Orleans.

The Secretary of the Board called me this afternoon to ask if there were any White House objection.

I have spoken to State and DOD about the transfer and they both agree that it is in our interest to do this. I think this is the kind of gesture that we can afford to make and it contributes to the favorable climate which we seek in Panama. I recommend that we tell them we have no objection to the transfer.

WGB
WGBowdler

Tell them no objection ✓.

See me ____.

ORIGIN ACTION

DEPARTMENT OF STATE

AIRGRAM

Pol 15-1 Pan

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RM/R	REP	AF
1		
ARA	EUR	FE
NEA	CU	INR
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ARMY	CIA	NAVY
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OSD	USIA	NSA
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		ASC
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A-529

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XR Pol Pan-45

HANDLING INDICATOR

TO : Department of State

FROM : Amembassy PANAMA

SUBJECT : Text of President Robles' Speech on Return from Summit

REF : PANAMA 3337

DATE: April 21, 1967

1967 APR 24 PM 2 08

COPYFLO-PBR

For the Department's information, attached is the complete text of President ROBLES' speech given on his return from the Summit at Tocumen Airport on April 15. Embassy has commented on the speech in reftel.

ADAIR

Enclosure:
Text of Robles Speech

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☒ In ☐ Out

FORM 4-62 DS-323

Drafted by:

POL:BT Mitchell/nsw 4/21/67

Contents and Classification Approved by:

DCM:DPDowns

Clearances:

POL:JEKarkashian